

Reducing GHG emissions would require capital spending increases and a change in investment patterns relative to the government reference case. For example, the incremental capital costs associated with capturing the 3.0 gigatons of abatement in our mid-range case would average approximately \$50 billion annually through 2030. Cumulative net new investment through 2030 would be \$1.1 trillion, or roughly 1.5 percent of the \$77 trillion in real investment the U.S. economy is expected to make over this period. This number would be higher if our projected savings from energy efficiency gains do not materialize and/or if the nation chooses to achieve emissions reductions by mandating higher-cost options. These incremental investments would be highly concentrated in the power and transportation sectors; if pursued, they would likely put upward pressure on electricity prices and vehicle costs. Policymakers and legislators would need to weigh these added costs against the energy efficiency savings, opportunities for technological advances, and other societal benefits.